

DNB ECO is Looking for a New Name

Stockholm (HedgeNordic) - DNB ECO Absolute Return, a market-neutral fund focused on the renewable energy sectors, is set to change its name after Sweden's Ethical Committee for Fund Marketing (ENF) stated the terms "absolute return" and "eco" are misleading. Two other funds - Nordnet Superfonden Sverige and Swedbank Robur Kapitaltygg (translated as capital protection) - must also change their names.

In a statement issued by ENF addressed specifically towards DNB ECO Absolute Return, ENF wrote that the term "absolute return" is difficult to understand for individuals not active in the fund industry, adding that the word can give clients a false impression that return is guaranteed. According to the statement, the term "absolute return" can lead investors to formulate wrong expectations and thereby the word should not be used as part of a fund's name. Concerning the "eco" term, ENF wrote that the average investor might perceive this word as an abbreviation for "ecological." The term, therefore, can give investors the impression that the fund only invests in organic products.

According to the same statement issued by ENF, DNB has yet to decide on a new name for DNB ECO Absolute Return, but "Absolute Return" will likely be replaced with "Market Neutral L/S." ENF is an independent committee tasked with monitoring and ensuring that all investment fund marketing is conducted following good marketing practices and market rules.

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